Profit/loss position of Nationalised Banks

333. SHRI JOY NADUKKARA: Will the Minister of FINANCE be pleased to state:

(a) the profit and loss position of the nationalised banks, bank-wise in the country during the last three years;

(b) the number of scheduled private banks in the country and how many of them are running at a loss, details thereof;

(c) the profit and loss position of the nationalised banks prior to nationalisation;

(d) whether Government have made any study as to what happened to these banks after nationalisation, the reasons for them making loss; and

(e) what proposal is there to make them profit making?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) The position regarding profit/loss of the nationalised banks during the last three years is given in the Annexure. (*See Appendix 180, Annexure No. 8*)

(b) There are 35 Scheduled Private Banks out of which two banks viz. Bareilly Corporation Bank Ltd. and Benares State Bank Ltd. have incurred losses of Rs. 2.27 crore and Rs. 17.81 crore respectively during 1995-96.

(c) The information is being collected and will be laid on the Table of the House.

(d) There is no correlation between the performance of banks and their nationalisation. Recently some of the nationalised banks have reflected losses mainly due to introduction of prudential norms of income recognition, asset classification and provisioning. The losses incurred by some nationalised banks during 1995-96 were mainly due to provisioning requirement for Non-Performing Assets, provisions for depreciation on investments and payment of arrears on account of revision of salaries.

(e) Banks have been advised to strengthen their credit management, tone up internal control and make concerned efforts for reduction of Non-Performing Assets, in accordance with the loan recovery policies adopted by them.

Subsidiaries of Nationalised Banks

334. SHRI K. RAHMAN KHAN : Will the Minister of FINANCE be pleased to state:

(a) the number of nationalised banks having their subsidiaries and the names of their subsidiaries, bank-wise and the percentage of share holdings of banks in the subsidiaries;

(b) whether the annual reports of the subsidiaries of the nationalised banks are placed on the Table of both the Houses of Parliament as more than 51% of the capital of these subsidiaries is held by the nationalised banks which are 100% Government of India undertakings; and

(c) if not, the reason thereof and whether Government will direct subsidiaries to place their annual reports on the Table of both the Houses of parliament?

THE MINISTER OF FINANCE (SHRI P. CHIDAMBARAM): (a) Reserve Bank of India (RBI) have reported that nine nationalised banks have set up their subsidiaries in India. The names of such banks, their subsidiaries and the percentage of banks' shareholding in their subsidiaries are given in the Statement. (*See below*).

(b) There appears to be no statutory requirement for laying of annual reports of the subsidiaries of nationalised banks on the Table of Both the Houses of Parliament.

(c) The subsidiaries of nationalised banks are set up as Joint Stock Companies under the Companies Act, 1956. These subsidiaries are subjected to audit by the Comptroller & Auditor General of India. Annual Reports of the nationalised banks generally contain a brief mention about the functioning of their subsidiaries. In accordance with the provisions of Banking Companeis (Acquisition & Transfer of Undertakings) Act, 1970 & 1980, the annual reports and Annual Accounts of all nationalised banks are laid on the Table of Both the Houses of Parliament.

Statement

Percentage of shareholding of Banks in their subsidiaries

Name of the Bank	Name of Subsidiary	Paid up Capital (Rs. in crores)	Percentage of share holdings
I. Canara Bank	(1) Canbank Factors Ltd.	20	70
	(2) Canbank Investment Management Services Ltd.	5	100
	(3) Canbank Venture Capital Fund Ltd.	0.25	100
	(4) Gilt Securities Trading Corpn. Ltd.	100	51
	(5) Canbank Computer Services Ltd.	4	51
	(6) Cabnank Financial Services Ltd.	30	100
II. Bank of Baroda	(1) BOB Capital Market Ltd.	10	100
	(2) BOB Cards Ltd.	10	100
	(3) BOB Housing Finance Ltd.	7.60	51
	(4) BOB Asset Management Co. Ltd.	10	100
III. Bank of India	(1) BOI Finance Ltd.	40	100
	(2) BOI Asset Management Co. Ltd.	5	100
	(3) BOI Share holding Ltd.	1	51
IV. Indian Bank	(1) Ind Bank Merchant Banking Services Ltd.	44.38	65
	(2) Ind Bank Housing Ltd.	10	51
	(3) Ind Bank Funds Management Ltd.	5	100
V.Andhra Bank	(1) Andhra Bank Financial Services Ltd.	5	100
	(2) Andhra Bank Home Finance Ltd.	5.10	56.7
VI.Punjab National Bank	(1) PNB Capital Services Ltd.	20	100
	(2) PNB Housing Finance Ltd.	10	100
	(3) PNB Gilts Ltd.	50	100
	(4) PNB Securities Ltd.	5	100
	(5) PNB Asset Management Co. Ltd.	5	100
VII.Allahabad Bank	(1) All Bank Finance Ltd.	60	100
VIII.Central Bank of India	(1) Apna Ghar Vitta Nigham Ltd. (Centbank Home Finance Ltd.)	10	51
IX. Vijaya Bank	(1) Vibank Housing Finance Ltd.	6	80